

SENATE, No. 177

STATE OF NEW JERSEY

218th LEGISLATURE

PRE-FILED FOR INTRODUCTION IN THE 2018 SESSION

Sponsored by:

Senator BRIAN P. STACK

District 33 (Hudson)

Senator TROY SINGLETON

District 7 (Burlington)

SYNOPSIS

Establishes "Tiny Home Pilot Program" in three regions of State.

CURRENT VERSION OF TEXT

Introduced Pending Technical Review by Legislative Counsel.



(Sponsorship Updated As Of: 5/15/2018)

1 **AN ACT** establishing a pilot program to incentivize the construction
2 of affordable tiny homes, supplementing P.L.1983, c.530
3 (C.55:14K-1 et seq.).
4

5 **BE IT ENACTED** *by the Senate and General Assembly of the State*
6 *of New Jersey:*
7

8 1. The Legislature finds and declares that:

9 a. The construction of affordable, tiny homes could provide
10 viable housing options for residents who are struggling financially
11 and for the State's homeless population.

12 b. In 2013, an estimated 610,000 people in the United States
13 slept without shelter on any given night and more than 3.5 million
14 people experience homelessness in the United States each year.

15 c. According to a report from the National Low Income
16 Housing Coalition, for every 100 households of renters in the
17 United States that earn "extremely low income" (30 percent of the
18 median household income or less), there are only 30 affordable
19 apartments available.

20 d. Despite laudable efforts by all levels of government, private
21 individuals, nonprofit organizations, and charitable foundations to
22 end homelessness, the number of homeless persons in New Jersey is
23 unacceptably high. The State's homeless population, furthermore,
24 includes a large number of families with young children, youth,
25 veterans, the elderly, and employed persons.

26 e. Fiscal and social costs of homelessness are high for both the
27 public and private sectors.

28 f. A myriad of factors contribute to homelessness, including a
29 shortage of affordable housing, a shortage of jobs that pay wages
30 and benefits sufficient to support a family, high property taxes, and
31 rising utility costs.

32 g. Ending homelessness should be a joint goal for State and
33 local government and this pilot program is a significant step toward
34 achieving that goal.
35

36 2. As used in this act:

37 "Agency" means the New Jersey Housing and Mortgage Finance
38 Agency established pursuant to section 4 of P.L.1983,
39 c.530 (C.55:14K-4).

40 "Applicant" means a nonprofit organization or municipal housing
41 authority.

42 "Commissioner" means the Commissioner of Community
43 Affairs.

44 "Eligible project" means a housing development consisting of
45 tiny home dwelling units owned and operated by an applicant.

46 "Executive director" means the Executive Director of the New
47 Jersey Housing and Mortgage Finance Agency.

1 "Housing development" means development undertaken for the
2 purpose of creating one or more residential units, for occupancy
3 under lease by persons who shall occupy such units as their usual
4 and permanent residence, together with any structures or facilities
5 appurtenant or ancillary thereto.

6 "Pilot municipality" means a municipality selected by the
7 executive director to participate in the pilot program pursuant to
8 subsection b. of section 3 of P.L. , c. (C.) (pending
9 before the Legislature as this bill), that agrees to participate in the
10 pilot program.

11 "Pilot program" means the "Tiny Home Pilot Program"
12 established in the New Jersey Housing and Mortgage Finance
13 Agency pursuant to subsection a. of section 3 of P.L. ,
14 c. (C.) (pending before the Legislature as this bill).

15 "Tiny home dwelling unit" means a permanent dwelling place or
16 domicile for occupants and having interior floor space not in excess
17 of 300 square feet.

18 "Very low-income family" or "very low-income individual"
19 means a family or individual whose annual income does not exceed
20 30 percent of the median family or individual income for the area,
21 as determined by the federal Department of Housing and Urban
22 Development, and that qualifies for low-income housing under the
23 standards promulgated by the Council on Affordable Housing
24 pursuant to the "Fair Housing Act," P.L.1985, c.222 (C.52:27D-301
25 et al.).

26 "Very low income housing" means housing affordable according
27 to federal Department of Housing and Urban Development or other
28 recognized standards for home ownership and rental costs and
29 occupied or reserved for occupancy by households with a gross
30 household income equal to 30 percent or less of the median gross
31 household income for households of the same size within the
32 housing region in which the housing is located.

33
34 3. a. The executive director, in consultation with the
35 commissioner, shall establish in the agency the "Tiny Home Pilot
36 Program," to encourage the development of tiny home dwelling
37 units.

38 b. (1) The executive director shall select for participation in
39 the pilot program not less than one, but not more than two
40 municipalities in each of the northern, central, and southern regions
41 of the State. In selecting the pilot municipalities, the executive
42 director may consider the comparative homeless population of the
43 municipality, the percentage increase in the homeless population
44 over the prior five years, the municipality's expressed interest in
45 participating in the pilot program, the level of anticipated financial
46 and other participation of municipal economic development
47 agencies, the existence of preexisting agreements between the
48 municipality and applicants willing to construct tiny home dwelling

1 units in accordance with this pilot program, and the municipality's
2 willingness to temporarily suspend applicable zoning restrictions to
3 permit development in accordance with this pilot program.

4 (2) Upon receipt of a resolution by the governing body of a pilot
5 municipality agreeing to participate in the pilot program the
6 executive director shall collaborate with each pilot municipality on
7 the procedures to be implemented to effectuate the purposes of the
8 pilot program.

9 c. (1) (a) Under the pilot program, the executive director
10 shall award grants to applicants for the construction of eligible
11 projects within pilot municipalities.

12 (b) An applicant shall agree to rent each tiny home dwelling unit
13 at an affordable price, as determined by the executive director.

14 (c) Each tiny home dwelling unit shall be rented to a very low-
15 income family or individual that qualifies for very low-income
16 housing.

17 (2) The executive director shall manage the pilot program in
18 consultation with the commissioner to most effectively increase
19 affordable housing options in the State. The executive director
20 shall administer the pilot program for three years following the
21 effective date of P.L. , c. (C.) (pending before the
22 Legislature as this bill).

23 (3) Upon securing a funding source, grant awards totaling \$1.65
24 million shall be awarded by the executive director to applicants
25 during each year the pilot program is in operation.

26 d. In addition to any additional information required by the
27 executive director, an applicant seeking a grant under the pilot
28 program shall submit an application to the agency that shall include
29 the following information:

30 (1) the approximate number of tiny home dwelling units the
31 applicant has the capacity to construct through funding from grants;

32 (2) a detailed description of the construction to be completed,
33 including, but not limited to, the applicant's ability to outfit the tiny
34 home dwelling units with energy efficient features or equipment
35 capable of minimizing residential utility costs throughout the life of
36 the structure;

37 (3) the anticipated rental price of each tiny home dwelling unit
38 to be constructed; and

39 (4) any relevant experience in successfully carrying out
40 accountability and reporting requirements involved in the proper
41 administration of grant funds.

42 e. The executive director shall establish options designed to
43 make tiny home dwelling units affordable for very low-income
44 families and very low-income individuals. The executive director
45 shall also coordinate with community organizations, homeless
46 groups, and public agencies to establish rental assistance programs
47 for tiny home dwelling units. The executive director may make
48 temporary loans, with or without interest, but with such security for

1 repayment as the executive director deems reasonably necessary
2 and practicable, to ensure affordable rental prices are available to
3 very low-income families and very low-income individuals for tiny
4 home dwelling units.

5 f. A pilot municipality shall receive two credits toward the
6 fulfillment of its fair share housing obligation pursuant to P.L.1985,
7 c.222 (C.52:27D-301 et al.) for each tiny home dwelling unit
8 constructed within the municipality in accordance with the pilot
9 program.

10
11 4. Any eligible project that conforms to the standards and
12 requirements of P.L. , c. (C.) (pending before the
13 Legislature as this bill) and the regulations promulgated pursuant
14 thereto is hereby declared to be a public work in furtherance of the
15 housing policy of this State, and any contribution of property,
16 money, or services in furtherance of such pilot program by the
17 agency or by a unit of local government shall be deemed an expense
18 or cost incurred in furtherance of a public purpose.

19
20 5. The executive director shall annually report to the Governor
21 and the Legislature, pursuant to section 2 of P.L.1991,
22 c.164 (C.52:14-19.1), regarding the allocation of the moneys sought
23 pursuant to section 7 of P.L. , c. (pending before the
24 Legislature as this bill). The report shall include, but not be limited
25 to, the municipalities selected to participate in the pilot program,
26 the importance of the financial incentive in the decision by
27 applicants to construct developments consisting of tiny home
28 dwelling units, the percentage increase of affordable housing
29 availability within the State resulting from the pilot program to the
30 date of the annual report, and the extent to which the homeless
31 population of this State has diminished as a result of the
32 proliferation of developments consisting of tiny home dwelling
33 units.

34
35 6. The executive director of the New Jersey Housing and
36 Mortgage Finance Agency, in consultation with the Commissioner
37 of Community Affairs, shall promulgate rules and regulations
38 pursuant to the "Administrative Procedure Act," P.L.1968,
39 c.410 (C.52:14B-1 et seq.), necessary to carry out the purposes of
40 this act. The rules and regulations shall include special human
41 habitation, use, and occupancy standards for tiny home dwelling
42 units.

43
44 7. The New Jersey Housing and Mortgage Finance Agency in
45 the Department of Community Affairs shall seek funding from the
46 federal government and other sources for the purposes of
47 effectuating the provisions of this act. The moneys may also be

1 expended for appropriate and reasonable administrative expenses
2 incurred in the administration of the project by the agency.

3
4 8. This act shall take effect immediately.

5
6
7 STATEMENT

8
9 This bill creates the "Tiny Home Pilot Program" as a three-year
10 pilot program to assist residents struggling financially and the
11 State's homeless population with acquiring housing through the
12 construction of small, affordable homes.

13 This bill requires the Executive Director of the New Jersey
14 Housing and Mortgage Finance Agency in the Department of
15 Community Affairs to select municipalities in three regions of the
16 State to participate in the pilot program. The executive director
17 must also manage the pilot program to award grants to qualified
18 applicants for the construction of housing developments consisting
19 of homes no greater than 300 square feet of interior floor space. As
20 part of the program, the executive director must establish options,
21 including rental assistance programs, designed to make tiny home
22 dwelling units affordable for very low-income families and very
23 low-income individuals. Any municipality participating in this
24 pilot program will receive two credits toward the fulfillment of its
25 fair share housing obligation for each tiny home dwelling unit
26 constructed within its borders.

27 This bill directs the Executive Director of the New Jersey
28 Housing and Mortgage Finance Agency to seek funding from the
29 federal government and other sources to implement the pilot
30 program. Upon securing a funding source, the executive director
31 would distribute \$1.65 million during each of the three years the
32 pilot program is in operation to qualified applicants for the
33 construction of housing developments consisting of tiny homes.
34 The executive director would be required to promulgate rules and
35 regulations necessary to carry out the purposes of the bill. In
36 addition, the executive director would be required to submit an
37 annual report to the Governor and Legislature detailing the pilot
38 program's progress in increasing affordable housing options and
39 reducing the State's homeless population.

40 In 2013, an estimated 610,000 people in the United States slept
41 without shelter on any given night and more than 3.5 million people
42 experience homelessness in the United States each year. Both the
43 private and public sector suffer the fiscal and social costs of
44 homelessness. Despite laudable efforts by all levels of government,
45 private individuals, nonprofit organizations, and charitable
46 foundations to end homelessness, the number of homeless persons
47 in New Jersey remains unacceptably high. This pilot program

S177 STACK, SINGLETON

7

- 1 would help address the issues of homelessness plaguing this State
- 2 by providing viable housing options for residents who are
- 3 struggling financially and for the State's homeless population.